

REGULATION OF MEMBER OF BOARD OF GOVERNORS
NUMBER 24/ 2 /PADG/2022
ON
TRANSACTIONS OF SECURITIES UNDER CROSS CURRENCY REPURCHASE
AGREEMENT IN RUPIAH AGAINST RINGGIT BETWEEN BANKS AND
BANK INDONESIA TO SUPPORT LOCAL CURRENCY SETTLEMENT

BY THE BLESSINGS OF ALMIGHTY GOD

MEMBER OF BOARD OF GOVERNORS OF BANK INDONESIA,

- Considering :
- a. that it is necessary to support the objective of Bank Indonesia to achieve and maintain rupiah stability, one of which is reflected in the stability of rupiah exchange rate, by reducing dependency on the use of a certain foreign currency through availability of ringgit liquidity for local currency settlement and to support financial market development and deepening;
 - b. that to support the activity as referred to in point a, Bank Indonesia enters into international financial cooperation with Bank Negara Malaysia in the form of local currency bilateral swap agreement;
 - c. that in the performance of the agreement as referred to in point b, Bank Indonesia provides transactions with banks in the form of transactions of securities under cross-currency repurchase agreement in rupiah against ringgit;

- d. that based on the foregoing considerations as referred to in point a, point b, and point c, it is necessary to establish Regulation of Member of Board of Governors on Transactions of Securities under Cross-Currency Repurchase Agreement in Rupiah against Ringgit between Banks and Bank Indonesia to Support Local Currency Settlement;

Observing : Bank Indonesia Regulation Number 24/2/PBI/2022 on Transactions between Banks and Bank Indonesia to Support Local Currency Settlement (State Gazette of the Republic of Indonesia of 2022 Number 36, Supplement to State Gazette of the Republic of Indonesia Number 6763);

HAS DECIDED:

To enact : REGULATION OF MEMBER OF BOARD OF GOVERNORS ON TRANSACTIONS OF SECURITIES UNDER CROSS-CURRENCY REPURCHASE AGREEMENT IN RUPIAH AGAINST RINGGIT BETWEEN BANKS AND BANK INDONESIA TO SUPPORT LOCAL CURRENCY SETTLEMENT.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regulation of Member of Board of Governors:

1. Bank means any commercial bank conducting business activities in a conventional manner, commercial bank conducting business activities under sharia principles, and sharia business unit, conducting business activities in foreign currencies.
2. Appointed Cross Currency Dealer Bank, hereinafter referred to as ACCD, means the Appointed Cross Currency Dealer Bank as referred to in the Regulation of Member of Board of Governors on local currency settlement between Indonesia and Malaysia using rupiah and ringgit through bank.

3. Indonesian ACCD Bank means ACCD Bank in Indonesia.
4. Local Currency Bilateral Swap Agreement between Bank Indonesia and Bank Negara Malaysia, hereinafter referred to as BI-BNM LCBSA, means bilateral agreement on local currency settlement between Bank Indonesia and Bank Negara Malaysia to increase bilateral trade and investment, monetary and financial system stability, and/or any other purposes agreed to support economic development of both countries.
5. Transaction of Securities under Cross Currency Repurchase Agreement in Rupiah against Ringgit between a Bank and Bank Indonesia in Implementation of BI-BNM LCBSA, hereinafter referred to as CCR MYR/IDR LCBSA Transaction, means fund provision transaction in ringgit by Bank Indonesia to a Bank, through repurchase agreement mechanism with securities in rupiah as collateral.
6. Sovereign Security, hereinafter abbreviated to SBN, means sovereign debt security and sovereign sharia security.
7. Sovereign Debt Security, hereinafter abbreviated to SUN, means Sovereign Debt Security as referred to in the Law on sovereign debt securities.
8. Sovereign Sharia Debt Security, hereinafter abbreviated to SBSN, means Sovereign Sharia Debt Security as referred to in the Law on sovereign sharia debt securities.
9. Repo Rate means interest rate charged to a Bank against fund in ringgit in CCR MYR/IDR LCBSA Transaction.
10. Correspondence Bank means bank which maintains current accounts in ringgit for payment and/or receipt fund in ringgit to or from a Bank.
11. Giro Account means the Giro Account as referred to in Bank Indonesia Regulation on giro accounts at Bank Indonesia.
12. Security Account means the Security Account as referred to in Bank Indonesia Regulation on implementation of transactions, administration of securities, and outright fund settlements.

13. Bank Indonesia-Scripless Securities Settlement System, hereinafter abbreviated to BI-SSSS, means Bank Indonesia-Scripless Securities Settlement System as referred to in Bank Indonesia Regulation on implementation of transactions, administration of securities, and outright fund settlements.
14. Standard Settlement Instruction means a certain guideline for fund transfer through means of telecommunication which at least contain Correspondence Bank name, account number, clearing code, and Society for Worldwide Interbank Financial Telecommunication (SWIFT).

Article 2

CCR MYR/IDR LCBSA Transaction aims to support availability of ringgit liquidity in local currency settlement and support financial market development and deepening.

CHAPTER II CHARACTERISTICS OF CCR MYR/IDR LCBSA TRANSACTIONS

Article 3

A CCR MYR/IDR LCBSA Transaction has the following characteristics:

- a. the type of foreign currency used is ringgit;
- b. it is a transaction under a repurchase agreement using collateralized borrowing;
- c. has a maximum term of 12 (twelve) months;
- d. the exchange rate used is selling rate of ringgit against rupiah announced by Bank Indonesia;
- e. repo rate is calculated based on simple interest;
- f. coupon rate right on repurchased securities for a period of CCR MYR/IDR LCBSA Transaction remains owned by the Bank participating in the CCR MYR/IDR LCBSA Transaction;
- g. a Bank participating in the CCR MYR/IDR LCBSA Transaction may not apply early termination; and

- h. a Bank participating in the CCR MYR/IDR LCBSA Transaction may not apply any rollover.

Article 4

- (1) A Bank participating in the CCR MYR/IDR LCBSA Transaction shall be an Indonesian ACCD Bank.
- (2) Requirements and appointment of an Indonesian ACCD Bank follow the Regulation of Member of Board of Governors on local currency settlements between Indonesia and Malaysia using rupiah and ringgit through banks.

Article 5

- (1) CCR MYR/IDR LCBSA Transaction are conducted by non-tender mechanism directly between Bank Indonesia and an Indonesian ACCD Bank.
- (2) CCR MYR/IDR LCBSA Transaction is conducted through means of dealing system determined by Bank Indonesia.

CHAPTER III

SECURITIES USED IN CCR MYR/IDR LCBSA TRANSACTIONS

Part One

Criteria and Requirements for Securities Used in CCR MYR/IDR LCBSA Transaction

Article 6

Bank Indonesia determines the criteria and requirements for securities used in CCR MYR/IDR LCBSA Transaction.

Article 7

Securities used in CCR MYR/IDR LCBSA Transaction are determined under the following provisions:

- a. they are SBN in rupiah denomination consisting of:
 - 1. SUN, which include state treasury bonds and sovereign bonds, including zero coupon bonds and retail sovereign bonds; and/or

2. SBSN, which include short-term SBSN and long-term SBSN, including retail SBSN;
- b. they are recorded in BI-SSSS;
- c. they are not being collateralized; and
- d. they have a term of 3 (three) working days at the shortest on the maturity date of the CCR MYR/IDR LCBSA Transaction.

Part Two

Price and Haircut of Securities

Article 8

- (1) Bank Indonesia determines the price and haircut of securities used in CCR MYR/IDR LCBSA Transaction.
- (2) The price of securities used in a CCR MYR/IDR LCBSA Transaction as referred to in paragraph (1) is announced in BI-SSSS or any other means determined by Bank Indonesia on the date of the CCR MYR/IDR LCBSA Transaction.
- (3) The SBN haircut in a CCR MYR/IDR LCBSA Transaction as referred to in paragraph (1) is announced in the means determined by Bank Indonesia.

CHAPTER IV

REQUIREMENTS FOR CCR MYR/IDR LCBSA TRANSACTIONS

Article 9

- (1) An Indonesian ACCD Bank applying for a CCR MYR/IDR LCBSA Transaction must sign a collateral agreement with authority to sell with Bank Indonesia and submit to Bank Indonesia supporting documents for the agreement.
- (2) The agreement supporting documents as referred to in paragraph (1) are determined under the following provisions:
 - a. an Indonesian ACCD Bank headquartered in Indonesia:

1. copy of articles of association of the Indonesian ACCD Bank and their last amendment authenticated by the Indonesian ACCD Bank, containing the authority of the board of directors to represent the Indonesian ACCD Bank and the latest management structure of the Indonesian ACCD Bank;
2. copy of valid identity in the form of resident's identity card or passport of the authorized member of board of directors or an official granted with the authority to sign documents;
3. written approval from the company's board of commissioners, in the event that under the Indonesian ACCD Bank's articles of association, the board of directors must obtain the approval of the board of commissioners;
4. approval of the general meeting of shareholders, in the event that under the laws and regulations, in representing the Indonesian ACCD Bank, the board of directors must obtain the approval of the general meeting of shareholders; and
5. power of attorney from a member of the board of directors to an official of the Indonesian ACCD Bank, in the event that an agreement is signed by such official;

and

- b. an Indonesian ACCD Bank headquartered overseas:
 1. copy of power of attorney from the headquarter of the Indonesian ACCD Bank to represent the bank, in the event a document is signed by the head of branch office;
 2. the copy of the power of attorney as referred to in item 1 is complemented by a power of attorney from the head of branch office to an official authorized to sign documents, in the event that a document is not signed by the head of branch office; and

3. copy of valid identity in the form of passport or resident's identity card of the head of branch office or the Indonesian ACCD Bank's official authorized to sign documents.
- (3) The collateral agreement with the authority to sell as referred to paragraph (1) is prepared in a format as referred to in Annex I which constitutes an inseparable part of this Regulation of Member of Board of Governors.

Article 10

- (1) The collateral agreement with the authority to sell as referred to in Article 9 paragraph (1) is duly stamped and signed by Bank Indonesia and an Indonesian ACCD Bank under the following provisions:
- a. an Indonesian ACCD Bank headquartered in Indonesia:
 1. the document is signed by an authorized member of board of directors; or
 2. the document is signed by an official other than the authorized member of directors as referred to in item 1 in the event that document signing power is granted as referred to in Article 9 paragraph (2) point a item 5;

and
 - b. an Indonesian ACCD Bank headquartered overseas:
 1. the document is signed by the head of branch office; or
 2. the document is signed by an official other than the head of branch office as referred to in item 1 in the event that document signing power is granted as referred to in Article 9 paragraph (2) point b item 2.
- (2) The document signing as referred to in paragraph (1) is conducted only once before an Indonesian ACCD Bank applies for a CCR MYR/IDR LCBSA Transaction for the first time.

Article 11

In the event of amendment to the collateral agreement with the authority to sell and/or the supporting documents as referred to in Article 9, an Indonesian ACCD Bank must submit the amendment of the document.

Article 12

- (1) The document submission as referred to in Article 9 is conducted only once before an Indonesian ACCD Bank applies for a CCR MYR/IDR LCBSA Transaction for the first time.
- (2) The document submission as referred to in Article 11 is conducted before an Indonesian ACCD Bank applies a CCR MYR/IDR LCBSA Transaction for the first time after an amendment to the collateral agreement with the authority to sell and/or the supporting documents.
- (3) The document submission as referred to in paragraph (1) and paragraph (2) is conducted by an Indonesian ACCD Bank with a cover letter addressed to Bank Indonesia as follows:
Bank Indonesia – Departemen Pengelolaan Moneter
(Monetary Management Department)
JL. MH. Thamrin No.2
Jakarta 10350.
- (4) In the event of change of the correspondence address as referred to in paragraph (3), Bank Indonesia will notify it by letter and/or any other means.

Article 13

Bank Indonesia gives information to an Indonesian ACCD Bank that the Indonesian ACCD Bank has met the requirements for document completeness as referred to in Article 9, Article 10, and/or Article 11 by letter and/or any other means of communication used by Bank Indonesia.

CHAPTER V

CCR MYR/IDR LCBSA TRANSACTIONS

Part One

Window Time of CCR MYR/IDR LCBSA Transactions

Article 14

- (1) CCR MYR/IDR LCBSA Transaction is conducted on working days.
- (2) Window time of CCR MYR/IDR LCBSA Transaction is between 08:00 West Indonesia Time until 16:00 West Indonesia Time or any other time determined by Bank Indonesia.

Article 15

- (1) Bank Indonesia may omit the window time of CCR MYR/IDR LCBSA Transactions based on considerations related to the implementation of BI-BNM LCBSA and/or any other considerations.
- (2) Announcement of the window time omission as referred to in paragraph (1) is made by the window time of CCR MYR/IDR LCBSA Transactions as referred to in Article 14 paragraph (2) by the means used by Bank Indonesia.

Part Two

Announcement of Planned CCR MYR/IDR LCBSA Transactions

Article 16

- (1) Bank Indonesia announces planned CCR MYR/IDR LCBSA Transactions and/or their changes by the means used by Bank Indonesia.
- (2) An announcement of planned CCR MYR/IDR LCBSA Transactions contains the following information:
 - a. means of dealing system;
 - b. transaction application time;
 - c. window time;
 - d. term;

- e. Repo Rate;
- f. haircut;
- g. rate of CCR MYR/IDR LCBSA Transactions; and/or
- h. any other information if required.

Part Three

Application and Settlement of CCR MYR/IDR LCBSA Transactions

Section 1

Application for CCR MYR/IDR LCBSA Transactions

Article 17

- (1) A CCR MYR/IDR LCBSA Transaction is applied by an Indonesian ACCD Bank under the following provisions:
 - a. applied directly through the means of dealing system determined by Bank Indonesia;
 - b. may only be applied once within the window time of CCR MYR/IDR LCBSA Transactions for each term;
 - c. contains the following information:
 1. name of Indonesian ACCD Bank;
 2. date of CCR MYR/IDR LCBSA Transaction;
 3. value of CCR MYR/IDR LCBSA Transaction;
 4. term of CCR MYR/IDR LCBSA Transaction;
 5. value date;
 6. maturity date;
 7. type, series, and nominal value of repurchased SBN;
 8. remaining SBN term;
 9. Standard Settlement Instruction; and
 10. purpose of application for CCR MYR/IDR LCBSA Transaction;

and
 - d. nominal value of application for CCR MYR/IDR LCBSA Transaction is at least MYR1,000,000.00 (one million ringgit) with multiples of MYR100,000.00 (one hundred thousand ringgit).

- (2) Example of the application for CCR MYR/IDR LCBSA Transaction as referred to in paragraph (1) is specified in Annex II which constitutes an inseparable part of this Regulation of Member of Board of Governors.

Article 18

An Indonesian ACCD Bank is responsible for the accuracy of data on an application for CCR MYR/IDR LCBSA Transaction submitted to Bank Indonesia.

Article 19

- (1) An Indonesian ACCD Bank may not cancel an application for CCR MYR/IDR LCBSA Transaction which has been submitted to Bank Indonesia.
- (2) An Indonesian ACCD Bank may correct an application for CCR MYR/IDR LCBSA Transaction except for the Indonesian ACCD Bank name and term of the CCR MYR/IDR LCBSA Transaction.
- (3) The correction as referred to in paragraph (2) may only be made once for each application.
- (4) The correction as referred to in paragraph (2) may only be made during the window time of CCR MYR/IDR LCBSA Transaction by the means of dealing system as referred to in Article 17 paragraph (1) point a.
- (5) In the event of correction to CCR MYR/IDR LCBSA Transaction, the transaction value must meet the requirements for the applied value of CCR MYR/IDR LCBSA Transaction as referred to in Article 17 paragraph (1) point d.

Article 20

- (1) In the event an Indonesian ACCD Bank applies for a CCR MYR/IDR LCBSA Transaction which does not meet the provisions as referred to in Article 17 and fails to correct the application for the CCR MYR/IDR LCBSA Transaction within the window time, Bank Indonesia will not follow up such application.

- (2) Bank Indonesia delivers information on a decision to not follow up the application for CCR MYR/IDR LCBSA Transaction as referred to in paragraph (1) to an Indonesian ACCD Bank by the means of dealing system determined by Bank Indonesia.

Article 21

Bank Indonesia may reject an application for CCR MYR/IDR LCBSA Transaction based on considerations related to the implementation of BI-BNM LCBSA and/or any other considerations.

Section 2

SBN Pledge in CCR MYR/IDR LCBSA Transaction

Article 22

- (1) In the event an application for CCR MYR/IDR LCBSA Transaction is accepted by Bank Indonesia, an Indonesian ACCD Bank is required to provide adequate SBN on the application date.
- (2) The SBN adequacy as referred to in paragraph (1) includes the type, series, and nominal value of repurchased SBN administered in BI-SSSS.
- (3) The adequate SBN as referred to in paragraph (1) is provided by making pledge by an Indonesian ACCD Bank in BI-SSSS on the repurchased SBN as referred to in Article 17 paragraph (1) point c item 7 by 12:00 West Indonesia Time.
- (4) The SBN pledge as referred to in paragraph (3) is conducted in BI-SSSS by specifying:
 - a. name of Indonesian ACCD Bank;
 - b. value of CCR MYR/IDR LCBSA Transaction;
 - c. type, series, and nominal value of repurchased SBN;
 - d. value date of SBN pledge;
 - e. maturity date of SBN pledge;
 - f. SBN price in BI-SSSS on the transaction date after subtraction from haircut;

- g. proceeds of repurchased SBN; and
- h. any other information if required.

Article 23

- (1) The minimum nominal value of repurchased SBN as referred to in Article 22 is calculated by the following formula:

$$\begin{array}{c} \text{minimum nominal value} \\ \text{repurchased SBN} \end{array} = \begin{array}{c} \text{value of MYR/IDR CCR} \\ \text{Transaction under LCBSA} \end{array} \times \begin{array}{c} \text{MYR/IDR} \\ \text{rate} \end{array}$$

remarks:

- minimum nominal value of repurchased SBN : SBN nominal value multiplied by SBN price subtracted from haircut, with rounding up of Rp1,000,000.00 (one million rupiah)
- SBN price : SBN price announced in BI-SSSS or any other means determined by Bank Indonesia on the date of CCR MYR/IDR LCBSA Transaction
- haircut : the haircut as announced by Bank Indonesia on the date of CCR MYR/IDR LCBSA Transaction
- MYR/IDR rate : selling rate of ringgit against rupiah announced by Bank Indonesia on the date of application for CCR MYR/IDR LCBSA Transaction

- (2) Example of calculation of the nominal value of repurchased SBN as referred to in paragraph (1) is specified in Annex II.
- (3) In the event of different calculation of minimum nominal value of repurchased SBN between an Indonesian ACCD Bank and Bank Indonesia, the minimum nominal value of repurchased SBN will use Bank Indonesia’s calculation result.

Article 24

The term of SBN pledge as referred to in Article 22 paragraph (3) follows the term of CCR MYR/IDR LCBSA Transaction plus 2 (two) working days.

Article 25

An Indonesian ACCD Bank may correct the SBN pledge as referred to in Article 22 paragraph (3) under the following provisions:

- a. pledge correction is made once at the maximum;
- b. pledge correction is made by canceling the pledge made in BI-SSSS; and
- c. pledge correction is made prior to the time limit as referred to in Article 22 paragraph (3).

Article 26

In the event an Indonesian ACCD Bank fails to meet the adequacy of nominal value, type, and series of repurchased SBN until the time limit as referred to in Article 22 paragraph (1), the CCR MYR/IDR LCBSA Transaction will be declared canceled.

Section 3

Confirmation of Approval for CCR MYR/IDR LCBSA Transaction

Article 27

- (1) Bank Indonesia submits confirmation of approval for CCR MYR/IDR LCBSA Transaction.
- (2) The confirmation as referred to in paragraph (1) is submitted by Bank Indonesia by the means of dealing system and/or any other means determined by Bank Indonesia, which contains the following information:
 - a. value of received CCR MYR/IDR LCBSA Transaction;
 - b. type, series, and nominal value of repurchased SBN;
 - c. value date;
 - d. term of SBN pledge;
 - e. Repo Rate;

- f. settlement value on the maturity date of CCR MYR/IDR LCBSA Transaction;
- g. settlement date;
- h. Standard Settlement Instruction;
- i. email address; and
- j. any other information if required.

Section 4

Fund Settlement of CCR MYR/IDR LCBSA Transaction

Article 28

- (1) In the event an Indonesian ACCD Bank has met the mandatory security settlement as referred to in Article 22, Bank Indonesia will conduct fund settlement within 1 (one) working day after the date of CCR MYR/IDR LCBSA Transaction.
- (2) The fund settlement as referred to in paragraph (1) is conducted by transferring fund in ringgit to the account designated by an Indonesian ACCD Bank according to the Standard Settlement Instruction as referred to in Article 17 paragraph (1) point c item 9 in the amount of application for CCR MYR/IDR LCBSA Transaction received by Bank Indonesia.

Article 29

In the event that after a CCR MYR/IDR LCBSA Transaction, the fund settlement date of CCR MYR/IDR LCBSA Transaction is determined as a holiday by the Government of Indonesia or the Government of Malaysia, the fund settlement will be made on the following working day without calculating repo rate deduction for the holiday.

Section 5

Settlement of CCR MYR/IDR LCBSA Transaction on Maturity Date

Article 30

- (1) An Indonesian ACCD Bank is required to submit:
 - a. fund transfer instruction in ringgit to the account of Bank Indonesia at a Correspondent Bank in Malaysia to meet mandatory settlement on a maturity date; and
 - b. copy of fund transfer instruction as referred to in point a by email and received by Bank Indonesia c.q. Department of Banking Services, Permits, and Treasury Operation,
 by 13:00 West Indonesia Time within 2 (two) working days prior to the maturity date of the CCR MYR/IDR LCBSA Transaction.
- (2) In the event an Indonesian ACCD Bank fails to meet the obligation as referred to in paragraph (1), the following provisions will apply:
 - a. Bank Indonesia applies early termination of a CCR MYR/IDR LCBSA Transaction; and
 - b. Bank Indonesia executes the repurchased SBN through outright SBN sale by the Indonesian ACCD Bank to Bank Indonesia under a collateral agreement with the authority to sell.

Article 31

- (1) An Indonesian ACCD Bank is required to transfer fund in ringgit to the account of Bank Indonesia at a Correspondent Bank in Malaysia to meet mandatory settlement on a maturity date and received by Bank Indonesia by 13:00 West Indonesia Time on the maturity date of a CCR MYR/IDR LCBSA Transaction.
- (2) In the event an Indonesian ACCD Bank fails to meet the obligation as referred to in paragraph (1), the following provisions will apply:
 - a. settlement of CCR MYR/IDR LCBSA Transaction on the maturity date will be declared failed; and

- b. Bank Indonesia executes the repurchased SBN through outright SBN sale by the Indonesian ACCD Bank to Bank Indonesia under a collateral agreement with the authority to sell.

Article 32

- (1) In the event Bank Indonesia receives fund transfer in ringgit for settlement of CCR MYR/IDR LCBSA Transaction on a maturity date as referred to in Article 31 paragraph (1), the following provisions will apply:
 - a. settlement of CCR MYR/IDR LCBSA Transaction on the maturity date will be declared failed;
 - b. Bank Indonesia executes the repurchased SBN through outright SBN sale by an Indonesian ACCD Bank to Bank Indonesia under a collateral agreement with the authority to sell; and
 - c. Bank Indonesia returns the fund in ringgit to the Indonesian ACCD Bank.
- (2) The refund as referred to in paragraph (1) point c will be conducted by Bank Indonesia to the account of the Indonesian ACCD Bank at a Correspondent Bank within 1 (one) working day at the earliest after the transaction maturity date.

Article 33

- (1) Fund on the settlement on a maturity date is calculated by the following formula:

$$\text{Settlement fund on maturity date} = \frac{\text{value of CCR MYR/IDR LCBSA Transaction}}{\text{LCBSA Transaction}} + \text{repo rate}$$

remarks:

$$\text{repo rate} = \frac{\text{value of CCR MYR/IDR LCBSA Transaction}}{\text{LCBSA Transaction}} \times \frac{\text{Repo Rate}}{\text{Rate}} \times \frac{\text{term of CCR MYR/IDR LCBSA Transaction}}{365}$$

- (2) Example of the calculation of settlement on a maturity date as referred to in paragraph (1) is specified in Annex II.

Article 34

In the event that after a CCR MYR/IDR LCBSA Transaction, the settlement maturity date of CCR MYR/IDR LCBSA Transaction is determined as a holiday by the Government of Indonesia or the Government of Malaysia, the fund settlement will be made on the following working day without calculating any repo rate addition for the holiday.

Part Four

Early Termination of CCR MYR/IDR LCBSA Transaction

Article 35

- (1) Bank Indonesia may apply early termination of a CCR MYR/IDR LCBSA Transaction.
- (2) The early termination of CCR MYR/IDR LCBSA Transaction as referred to in paragraph (1) will apply in the following events:
 - a. a participant of CCR MYR/IDR LCBSA Transaction no longer meets the requirements as referred to in Article 4;
 - b. the Indonesian ACCD Bank no longer meets the obligation to send fund transfer instruction in ringgit to meet the obligation as referred to in Article 30; and/or
 - c. the Indonesian ACCD Bank submits a notice that it is unable to provide ringgit to meet the mandatory fund settlement on its maturity date.
- (3) The notice as referred to in paragraph (2) point c is received by Bank Indonesia c.q. Department of Banking Services, Permits, and Treasury Operation by 13:00 West Indonesia Time within 2 (two) working days prior to the maturity date of the CCR MYR/IDR LCBSA Transaction, which may be preceded by an email.

Article 36

In the event of early termination of CCR MYR/IDR LCBSA Transaction, an Indonesian ACCD Bank is required to pay repo rate calculated in full until the transaction maturity date.

Article 37

- (1) In the event of early termination of CCR MYR/IDR LCBSA Transaction on the condition as referred to in Article 35 paragraph (2) point a, Bank Indonesia will submit a notice to a participant of CCR MYR/IDR LCBSA Transaction containing the following information:
 - a. early termination of CCR MYR/IDR LCBSA Transaction;
 - b. time limit to meet mandatory transaction settlement; and
 - c. fund to be settled on the maturity date.
- (2) The participant of CCR MYR/IDR LCBSA Transaction as referred to in Article 35 paragraph (2) point a must settle a transaction on the time limit as referred to in paragraph (1) point b by making a fund transfer to the account of Bank Indonesia at a Correspondent Bank in Malaysia.
- (3) In the event the participant of CCR MYR/IDR LCBSA Transaction as referred to in Article 35 paragraph (2) point a fails to make the transaction settlement as referred to in paragraph (2), Bank Indonesia will execute the repurchased SBN through outright SBN sale by such participant to Bank Indonesia under a collateral agreement with the authority to sell.
- (4) The outright SBN sale as referred to in paragraph (3) is conducted on the same date as the time limit as referred to in paragraph (1) point b.

Article 38

- (1) In the event of early termination of CCR MYR/IDR LCBSA Transaction on the condition as referred to in Article 35 paragraph (2) point b and point c, Bank Indonesia may execute the repurchased SBN through outright SBN sale

by the Indonesian ACCD Bank to Bank Indonesia under a collateral agreement with the authority to sell.

- (2) The outright SBN sale transaction as referred to in paragraph (1) is conducted on the same date as the early termination.

Part Five

Outright Settlement of SBN Sale Transaction

Article 39

In an outright settlement of SBN sale transaction by an Indonesian ACCD Bank to Bank Indonesia, Bank Indonesia has the authority to:

- a. terminate the pledge of repurchased SBN in a CCR MYR/IDR LCBSA Transaction;
- b. transfer the repurchased SBN from the Security Account of the Indonesian ACCD Bank to the Security Account of Bank Indonesia; and/or
- c. debit the rupiah giro account of the Indonesian ACCD Bank.

Article 40

- (1) The value of outright settlement of SBN sale transaction by an Indonesian ACCD Bank to Bank Indonesia is calculated using the following formula:
 - a. for SBN with coupon or yield:

value of outright
transaction
settlement

=

SBN
nominal
value

x

SBN
price

+

accrued
interest/
yield

remarks:

accrued
interest/yield

:

right to coupon or yield of
securities calculated from 1
(one) day after the last
payment date of coupon or
yield until the date of outright

settlement of SBN sale transaction by an Indonesian ACCD Bank to Bank Indonesia

SBN price : SBN price announced in BI-SSSS and/or any other means determined by Bank Indonesia on the date of outright SBN sale transaction by an Indonesian ACCD Bank to Bank Indonesia

b. for SBN without coupon or yield:

| |
|--|
| $\text{value of outright transaction settlement} = \text{SBN nominal value} \times \text{SBN price}$ |
|--|

remarks:

SBN price : SBN price announced in BI-SSSS and/or any other means determined by Bank Indonesia on the date of outright SBN sale transaction by an Indonesian ACCD Bank to Bank Indonesia

- (2) The maximum SBN price as referred to in paragraph (1) is the same as SBN price on the date of CCR MYR/IDR LCBSA Transaction.
- (3) Example of calculation of the outright SBN sale as referred to in paragraph (1) is specified in Annex II.

Article 41

- (1) In the event the settlement result of outright SBN sale transaction by an Indonesian ACCD Bank to Bank Indonesia is lower than the mandatory settlement on the maturity date of CCR MYR/IDR LCBSA Transaction after conversion into rupiah, Bank Indonesia will debit the

Indonesian ACCD Bank's rupiah Giro Account by the difference.

- (2) In the event the settlement result of outright SBN sale transaction by an Indonesian ACCD Bank to Bank Indonesia is higher than the mandatory settlement on the maturity date of CCR MYR/IDR LCBSA Transaction after conversion into rupiah, Bank Indonesia will credit the Indonesian ACCD Bank's rupiah Giro Account by the difference.
- (3) The mandatory settlement of CCR MYR/IDR LCBSA Transaction on the maturity date as referred to in paragraph (1) and paragraph (2) includes mandatory payment of repo rate fully calculated until the transaction maturity date.

Article 42

The conversion calculation as referred to in Article 41 paragraph (1) and paragraph (2) uses the selling rate of ringgit against rupiah announced by Bank Indonesia on the outright SBN sale transaction date by an Indonesian ACCD Bank to Bank Indonesia.

CHAPTER VI SANCTION

Part One

Types of Sanctions

Article 43

In the event an Indonesian ACCD Bank fails to meet the obligations as referred to in Article 22 paragraph (1), Article 30 paragraph (1), Article 31 paragraph (1), and/or Article 37 paragraph (2), the Indonesian ACCD Bank will be imposed with the following administrative sanctions:

- a. written warning; and
- b. payment obligation in rupiah of 0.01% (zero point zero one percent) from the nominal value of transaction converted

into rupiah, at the minimum of Rp10,000,000.00 (ten million rupiah) and at the maximum of Rp100,000,000.00 (one hundred million rupiah) per transaction.

Part Two

Mechanism of Sanction Imposition

Article 44

The rate used in the calculation of sanction for payment obligation as referred to in Article 43 point b is the selling rate of ringgit against rupiah announced by Bank Indonesia on the date when the obligations as referred to in Article 22 paragraph (1), Article 30 paragraph (1), Article 31 paragraph (1), and/or Article 37 paragraph (2) are not fulfilled.

Article 45

- (1) The written warning as referred to in Article 43 point a is delivered by letter to an Indonesian ACCD Bank no later than 2 (two) working days after the date of failure to fulfill the obligations as referred to in Article 22 paragraph (1), Article 30 paragraph (1), Article 31 paragraph (1), and/or Article 37 paragraph (2).
- (2) The letter as referred to in paragraph (1) is delivered to Bank Indonesia and the copy is delivered to Financial Services Authority.

Article 46

The sanction for payment obligation as referred to in Article 43 point b is imposed by debiting the rupiah Giro Account of an Indonesian ACCD Bank no later than 2 (two) working days after the date of failure to fulfill the obligations as referred to in Article 22 paragraph (1), Article 30 paragraph (1), Article 31 paragraph (1), and/or Article 37 paragraph (2).

CHAPTER VII
CLOSING PROVISIONS

Article 47

This Regulation of Member of Board of Governors comes into force on 1 March 2022.

In order that every person may know hereof, it is ordered to promulgate this Regulation of Member of Board of Governors by its placement in the Official Gazette of the Republic of Indonesia.

Issued in Jakarta
on 25 February 2022

MEMBER OF BOARD OF GOVERNORS,

SIGNED

DESTRY DAMAYANTI

ELUCIDATION
OF
REGULATION OF MEMBER OF BOARD OF GOVERNORS
NUMBER 24/ 2 /PADG/2022
ON
TRANSACTIONS OF SECURITIES UNDER CROSS CURRENCY
REPURCHASE AGREEMENT IN RUPIAH AGAINST RINGGIT BETWEEN
BANKS AND BANK INDONESIA TO SUPPORT LOCAL CURRENCY
SETTLEMENT

I. GENERAL

Bank Indonesia aims to achieve and maintain rupiah stability. Efforts made to achieve the purpose need to be supported by reducing dependency on the use of certain foreign currency through availability of ringgit liquidity for local currency settlement for smooth international trade payment, direct investment, and/or any other activities. Use of the local currency of a partner country in transaction settlement also aims to support financial market development and deepening.

The local currency settlement requires the support of ringgit availability in the market. Therefore, Bank Indonesia enters into international financial cooperation with Bank Negara Malaysia in the form of BI-BNM LCBSA and provide transactions between a Bank and Bank Indonesia in the form of transactions of securities under cross currency agreement in rupiah against ringgit. Based thereon, Bank Indonesia has issued Regulation of Member of Board of Governors on Transactions of Securities under Cross Currency Repurchase Agreement in Rupiah against Ringgit between Banks and Bank

Indonesia to Support Local Currency Settlement.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Point a

Sufficiently clear.

Point b

“Collateralized borrowing” means a principle in fund provision transaction with collateral in the form of securities without any transfer of ownership.

Point c

Period is stated in calendar days and calculated from 1 (one) calendar day after the fund settlement date until the maturity date.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

“Working day” means the working days of Bank Indonesia, including limited operational working days of Bank Indonesia.

Article 8

Paragraph (1)

“Haircut” means the reduction factor against the security price.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 9

Paragraph (1)

Collateral agreement with authority to sell will contain transfer of collateral with authority to sell from an Indonesian ACCD Bank to Bank Indonesia to purchase SBN by itself in CCR MYR/IDR LCBSA Transaction if the Indonesian ACCD Bank fails to meet the mandatory fund repayment as and when due.

Paragraph (2)

Point a

Sufficiently clear.

Point b

Item 1

Sufficiently clear.

Item 2

In the event that a document is signed by an official other than the head of branch office, power of attorney from the headquarter containing the manager's right to transfer his/her authority or substitution right.

Item 3

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Paragraph (1)

"Working day" means the working days of Bank Indonesia and Bank Negara Malaysia, excluding limited operational working days of Bank Indonesia.

Paragraph (2)

Sufficiently clear.

Article 15

Paragraph (1)

Example of other considerations is the working days of Bank Negara Malaysia.

Paragraph (2)

"Means used by Bank Indonesia" among others is the webpage of Bank Indonesia.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Example of other considerations is the status of Indonesian ACCD Bank.

Article 22

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

“By pledge” means the pledge settlement mechanism as specified in Regulation of Member of Board of Governors on implementation of administration of securities through Bank Indonesia-Scripless Securities Settlement System.

Paragraph (4)

Sufficiently clear.

Article 23

Sufficiently clear.

Article 24

“2 (two) working days” means 1 (one) working day on the pledge date and 1 (one) working day after the maturity date of CCR MYR/IDR LCBSA Transaction.

“Working day” means the working days of Bank Indonesia, excluding limited operational working days of Bank Indonesia.

Article 25

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Settlement date includes the date to pledge repurchased SBN and the date of fund transfer on the settlement maturity date.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Article 28

Paragraph (1)

“Working day” means the working days of Bank Indonesia and Bank Negara Malaysia, excluding limited operational working days of Bank Indonesia.

Paragraph (2)

Sufficiently clear.

Article 29

“Working day” means the working days of Bank Indonesia and Bank Negara Malaysia, excluding limited operational working days of Bank Indonesia.

Article 30

Paragraph (1)

“Working day” means the working days of Bank Indonesia and Bank Negara Malaysia, excluding limited operational working days of Bank Indonesia.

Paragraph (2)

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Paragraph (1)

Sufficiently clear.

Paragraph (2)

“Working day” means the working days of Bank Indonesia and Bank Negara Malaysia, excluding limited operational working days of Bank Indonesia.

Article 33

Sufficiently clear.

Article 34

“Working day” means the working days of Bank Indonesia and Bank Negara Malaysia, excluding limited operational working days of Bank Indonesia.

Article 35

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

“Working day” means the working days of Bank Indonesia, excluding limited operational working days of Bank Indonesia.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Sufficiently clear.

Article 40

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Sufficiently clear.

Article 43

Point a

Sufficiently clear.

Point b

“Transaction nominal value” means the amount of CCR MYR/IDR LCBSA Transaction received by Bank Indonesia.

Article 44

Sufficiently clear.

Article 45

Paragraph (1)

“Working day” means the working days of Bank Indonesia, excluding limited operational working days of Bank Indonesia.

Paragraph (2)

Sufficiently clear.

Article 46

“Working day” means the working days of Bank Indonesia, excluding limited operational working days of Bank Indonesia.

Article 47

Sufficiently clear.